UCSF Acquisition of Mission Bay Blocks 33-34

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Background

- UCSF has a goal of reducing operating costs by consolidating campus work sites from multiple locations that UCSF leases and owns throughout San Francisco.

- In December 2012, UCSF issued a Request for Qualifications to identify opportunities for office space near UCSF’s Mission Bay campus to help achieve this goal.

- UCSF is in advanced discussions with Salesforce to acquire Blocks 33-34 in Mission Bay.

- UCSF is following its Planning Principles by notifying the community of this pending acquisition and will consult with the community on future development of the site.
Mission Bay Blocks 33-34
Development Program

• 500,000 gsf, plus up to 500 parking spaces
  – Tower with ~275,000 gsf, up to 160’ tall, on the north
  – Parking garage up to 90’ tall in the middle
  – Building with ~225,000 gsf, up to 90’ tall, on the south

Conforms to the Design for Development standards in the Mission Bay South Redevelopment Plan
Anticipated Uses

• Specific programming has not yet occurred, but Principal Uses allowed for Blocks 33-34 by the Mission Bay South Redevelopment Plan are assumed
  – Offices
  – Biotech Research
  – Parking

• If Secondary Uses are proposed, UC would return for additional approvals from the Successor Agency
  – Outpatient clinics
Design Review and Consultation

- UCSF will follow the *Mission Bay South Design for Development* for height, bulk, setbacks, maximum tower floorplate and other design matters.
- UCSF will follow the *Mission Bay South Streetscape Plan* for landscaping along Third, Sixteenth, Illinois and Mariposa Streets.
- UCSF will follow the *Mission Bay Signage Master Plan*.
- UCSF will present proposed building designs to the Mission Bay CAC for feedback.
- UCSF will conduct community process to solicit feedback on height, bulk and building design from neighbors.
Tax Increment

• Since as a State entity the University of California is exempt from local taxation, UCSF will make up for the loss of property tax that would otherwise flow from Blocks 33-34, through agreements for payments towards:
  – Affordable Housing, with the City/Successor Agency
  – Public Infrastructure, with FOCIL-MB, LLC (Mission Bay infrastructure developer)
Affordable Housing Payment

- The City and UCSF have negotiated in good faith an arrangement for UCSF to address the housing demand generated by its development of Blocks 33-34
  - $10.2 million up-front, cash payment by UCSF to the Successor Agency
  - To be used solely for the development of affordable housing in Mission Bay, in the same manner as tax increment for affordable housing produced in the Mission Bay Plan area
  - Up front payment (versus over 30 years) allows the City to accelerate affordable housing development in the area
Public Infrastructure Payment

- FOCIL-MB, LLC (the Mission Bay infrastructure developer) and UCSF are negotiating an agreement for UCSF to pay for infrastructure development at Mission Bay needed for Blocks 33-34
  - Based on the portion of tax increment allocable to infrastructure that would have otherwise been paid by a tax-paying entity
  - To be used for the development of infrastructure in Mission Bay, including but not limited to adjacent infrastructure for Blocks 33-34
  - $21.9 million up front cash payment (versus over 30 years) allows FOCIL to pay for completed infrastructure and accelerate infrastructure development in the area
Anticipated Development Schedule

- **Phase 1 (North) Building**
  - Complete in 2017

- **Parking Garage**
  - Complete in 2020

- **Phase 2 (South) Building**
  - Complete in 2022
Required Approvals

• Infrastructure Payment Agreement
  – UC Regents, FOCIL

• Memorandum of Understanding
  – UC Regents, Successor Agency Commission, Board of Supervisors, Successor Agency Oversight Board

• Amendment to Owner Participation Agreement
  – FOCIL, Successor Agency Commission, Board of Supervisors, Successor Agency Oversight Board

• Review of Oversight Board Approval
  – State Department of Finance

• City Consent to Transfer of Property

Approvals to be secured in the next four months